

Message Text

LIMITED OFFICIAL USE

PAGE 01 SAO PA 01699 142102Z
ACTION EB-08

INFO OCT-01 ARA-10 IO-13 ISO-00 COME-00 L-03 STR-07
ITC-01 TRSE-00 /043 W
-----059268 142147Z /66

P 142030Z JUN 78
FM AMCONSUL SAO PAULO
TO SECSTATE WASHDC PRIORITY 8592
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO
USMISSION GENEVA PRIORITY

LIMITED OFFICIAL USE SAO PAULO 1699

FROM EMBASSY COMMERCIAL COUNSELOR

E.O. 11652: N/A
TAGS: MTN, ETRD, BR
SUBJ: US/BRAZIL BILATERAL ON BRAZILIAN OFFER AND US REQUESTS

REFS: GENEVA 08832; GENEVA 08687

1. TIME DOES NOT PERMIT US TO COMMENT IN DETAIL ON THE BRAZILIAN OFFER LIST, BUT CERTAIN GENERAL COMMENTS ON THE REMARKS MADE BY THE BRAZILIAN DEL MIGHT BE USEFUL.
2. THE STATEMENT BY THE BRAZILIAN DEL THAT IN PRACTICE A SIGNIFICANT VOLUME OF IMPORTS ENTER BRAZIL DUTY-FREE IS CORRECT. HE NEGLECTED TO MENTION, HOWEVER, THAT BY LAW THE GOB COMMITTEE WHICH GRANTS SUCH EXEMPTION FOR EQUIPMENT TO BE USED IN CONNECTION WITH GOB APPROVED PROJECTS MAY GRANT SUCH RELIEF ONLY IF SIMILAR EQUIPMENT IS NOT PRODUCED IN BRAZIL.
3. WE UNDERSTAND THE BRAZILIAN DEL'S STATEMENT THAT THE PORT TAX IS NOT NEGOTIABLE. IT IS NOT INTENDED AS A LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SAO PA 01699 142102Z

PROTECTIVE MEASURE BUT AS A SOURCE OF REVENUE FOR SPECIFIED PORT MAINTENANCE AND IMPROVEMENT FUNCTIONS.

4. IMPORT LICENSING IS MORE OR LESS AUTOMATIC IN MOST CASES. THE MAIN PURPOSE OF THE LICENSING REQUIREMENT SEEMS TO BE TO CONTROL UNAUTHORIZED FOREIGN EXCHANGE EXPORTS. HOWEVER, IT IS USED ON OCCASION FOR PROTECTIVE

PURPOSES OR AS A MEANS OF PRESSURING MULTINATIONALS TO TAKE CERTAIN ACTIONS THEY ARE NOT LEGALLY REQUIRED TO TAKE. ON THE WHOLE, THE BRAZILIAN DEL IS CORRECT IN SAYING THAT THE DECLINE IN U.S. EXPORTS TO BRAZIL HAS BEEN CAUSED BY THE 100 PERCENT PRIOR IMPORT DEPOSIT RATHER THAN BY IMPORT LICENSING PRACTICES.

5. IN THE DISCUSSION OF THE LAW OF SIMILARS THE BRAZILIAN DEL UNDERSTATED THE DIFFICULTY OF OBTAINING TARIFF EXEMPTION FOR ITEMS WHICH DO NOT HAVE SIMILARS PRODUCED IN BRAZIL. IN MANY CASES A BRAZILIAN MANUFACTURER'S ASSERTION THAT HE COULD PRODUCE A SIMILAR ITEM, EVEN THOUGH HE HAS NOT YET DONE SO, CAUSES CONSIDERATION OF THE CASE TO BE PROTRACTED FOR MONTHS AND LEAVES THE OUTCOME UNCERTAIN. WITH RESPECT TO THE NON-NEGOTIABILITY OF THE LAW OF SIMILARS, WE AGREE THAT IT WOULD BE A MAJOR AND POLITICALLY DIFFICULT ACTION FOR THE GOB TO RESCIND IT OR SUBSTANTIALLY MODIFY IT. HOWEVER, AS REPORTED IN SAO PAULO 1643, THE DIRECTOR OF THE GOB IMPORT AND EXPORT LICENSING AGENCY HAS RECENTLY PROPOSED PUBLICLY THAT THE LAW BE ABOLISHED.

TELLER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TARIFF SCHEDULES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SAOPA01699
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780249-0180
Format: TEL
From: SAO PAULO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780660/aaaabzor.tel
Line Count: 84
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7e693289-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 8832, 78 GENEVA 8687
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2356262
Secure: OPEN
Status: NATIVE
Subject: US/BRAZIL BILATERAL ON BRAZILIAN OFFER AND US REQUESTS
TAGS: ETRD, BR, US, MTN
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/7e693289-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014